

der is in readiness subject to our order. I am advised by the Inspector, that it is of excellent quality, standing the tests required, and in every way conformable to specifications. Two Locomotives were ordered by the Chief Engineer, intended to be in readiness on the arrival of the Iron.

By the terms of the several contracts the Grading and Masonry were to have been completed from Salisbury to Statesville by the 1st of July, 1857; but the unusual scarcity of supplies, necessary for contractors, and other unavoidable difficulties, incident to such operations, have occasioned some delay at points along the line, and must consequently delay for some months, the laying of Iron.

The right of way has been secured along the entire line except in a very few instances. Most of these occur at Salisbury and its vicinity, where lands are of more value, and consequently are held at high prices, and the matter, for these reasons, has been in some cases, and may be in others, referred to Commissioners as provided in the charter.

The North-Carolina Railroad Company have agreed to unite with us in building joint Freight and Passenger Houses in the town of Salisbury, and the same are now under contract and will be completed with all necessary despatch. The Chief Engineer has likewise contracted for the building of such number of Cars as will be required for the use of our Road, at an early day, and they will also be in readiness in due time.

The Report of the Chief Engineer accompanies this Report, and will furnish all the additional information not herein communicated, which you may desire touching the present condition and future prospects of the work confided to our charge.

I have had the zealous and active co-operation of the Chief Engineer and his worthy assistants in promoting the progress of the Road, and take pleasure in bearing testimony to their efficiency and fidelity.

The Treasurer, likewise, deserves high commendation for his efficient discharge of the duties devolving upon him.

I have the honor to be, very respectfully,

Your obedient servant,

R. C. PEARSON,

*President Western N. C. R. R. Co.*